

### **FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
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**Legislation Title:**

An ordinance relating to Seattle Public Utilities; declaring the residential property at 10042 Rainier Avenue S. surplus to the City's needs and authorizing the Director of Seattle Public Utilities to sell the real property through an open competitive process.

**Summary and background of the Legislation:**

The ordinance would authorize the Director of Seattle Public Utilities (SPU) to sell surplus property at 10042 Rainier Ave South.

Last year, the council approved Ordinance 123726, which authorized Seattle Public Utilities to purchase property at 10042 Rainier Avenue S. for a major creek habitat and flooding improvement project along lower Taylor Creek. The purchase augmented a property acquisition by SPU in 2010, placing the stream mouth and delta of Taylor Creek entirely in public ownership. The original acquisition project included purchasing the entire property, completing a lot boundary adjustment to separate the house portion of the site from the shoreline portion, and then reselling the house portion. This legislation reflects the reselling of the house portion.

Taylor Creek, located in southeast Seattle, could provide high quality Chinook salmon rearing habitat and support sockeye and coho salmon spawning. While the upper portions of the creek flow through forested ravines in park lands, the lower part is constrained by homes, private yards, driveways and roads. Fish can only access a few hundred feet of stream due to fish passage barriers. SPU recently acquired four parcels between Rainier Avenue S. and the Lake Washington shoreline that contain 440 feet of lower Taylor Creek. This acquisition paved the way for substantial habitat and fish passage improvements between Lake Washington and the forested ravines of Lakeridge Park which are planned for 2014-2015. SPU, working with the Seattle Department of Parks and Recreation, increased project benefits and design flexibility by acquiring the remainder of the stream delta at 10042 Rainier Avenue S. in 2011.

Per the plan as referenced in Ordinance 123726, SPU completed a lot boundary adjustment to retain the lower stream and shoreline in public ownership, while creating the opportunity to sell the remainder of the parcel with the house. The upland portion of the site contains a house that is in good condition and SPU believes retaining the house and selling that portion of the property into private ownership would be optimal.

The upland portion of 10042 Rainier Avenue S., containing a house, is excess to SPU's needs. SPU and the Department of Finance and Administrative Services recommend the property be sold through an open competitive process. The Real Estate Oversight Committee concurs with the recommendation.

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>
Taylor Creek Culvert Improvement	C3353	Taylor Creek at and downstream of Rainier Ave S	1999	December 2015

Please check any of the following that apply:

☐ This legislation creates, funds, or anticipates a new CIP Project.

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Revenue Source</b>	<b>2012 Revenue</b>	<b>2013 Revenue</b>
<b>TOTAL</b>				

Revenue/Reimbursement Notes:

The financial impacts of the transaction authorized by this legislation are addressed in the fiscal note to Council Bill 117296 (Ordinance 123726), which references the original land purchase, completing a lot boundary adjustment and re-selling the part of the property containing the house. The house portion of the site was appraised at \$600,000 in August of 2011. SPU anticipates \$500,000-\$600,000 from the sale of the property based on the 2011 appraisal and recent real estate market trends. However, no sale is imminent. Proceeds from an eventual sale would accrue to the Drainage and Wastewater Fund.

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

The house portion of the site was appraised at \$600,000 in August of 2011. SPU anticipates generating revenue in the range of \$500,000-\$600,000 from sale of the property. That revenue would not materialize without this legislation.

**b) What is the financial cost of not implementing the legislation?**

Without approval of this or similar legislation, there is no chance the City will sell this excess property and thereby recoup funding from the original purchase.

**c) Does this legislation affect any departments besides the originating department?**

No

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

The project objectives could be met by retaining the entire parcel in public ownership and integrating the land into the future Taylor Creek improvement project. However, that would require SPU to remove a house from the housing stock in Seattle at a cost of roughly \$100,000. In addition, the house portion of the site does not add substantially to the quality of the habitat restoration project. Given the long-term costs and benefits, SPU determined that selling the house portion of the parcel would be the most cost effective.

**e) Is a public hearing required for this legislation?**

Yes. A public hearing will be held in conjunction with the Council Committee meeting.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

Yes. SPU will publish a notice 2 weeks before the Council Committee hearing.

**g) Does this legislation affect a piece of property?**

Yes. See Exhibit A.

**h) Other Issues:**

**List attachments to the fiscal note below:**

Exhibit A – Parcel map

## PARCEL MAP OF AREA WITH 10042 RAINIER AVENUE S. IDENTIFIED

Parcel map with subject property at 10042 Rainier Avenue S. identified. Seattle Public Utilities owns the properties immediately to the west and north at 10032-10038 Rainier Ave S. This map is intended for illustrative purposes only and is not intended to modify anything in the legislation.

